

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

Chapter 9

CITY OF DETROIT, MICHIGAN, No. 13-53846

Debtor.

HON. STEVEN W. RHODES

/

**RESPONDENTS' MOTION TO STAY THE EFFECT OF ORDER
GRANTING PHILLIPS' MOTION FOR RELIEF FROM STAY
(DKT. #1536-1) PENDING APPEAL OF THAT ORDER AND
ORDER DENYING MOTION FOR RECONSIDERATION OF
ORDER GRANTING PHILLIPS' MOTION FOR RELIEF FROM
STAY (DKT. #2256)**

Respondents Michigan Governor Rick Snyder and Michigan
Treasurer Kevin Clinton¹ (Defendants in *Catherine Phillips, et. al v.*
Snyder, et. al, Case No. 13-cv-11370, filed in the United States District
Court for the Eastern District of Michigan (the “*Phillips Case*”)) by and
through their attorneys, Matthew Schneider, Chief Legal Counsel, and
Michael Murphy, move this Honorable Court under Fed. R. Bankr. P.
8005 to stay its order granting Petitioners’ motion for relief from stay

¹ Andrew Dillon resigned on October 11, 2013. His replacement, Kevin Clinton, assumed office on November 1, 2013. Pursuant to Fed. R. Civ. P. 25(d), Mr. Clinton is automatically substituted as a party to this action in Mr. Dillon’s place.

(Dkt. #1536-1) pending appeal from such order. In support of this motion, Respondents state:

1. This motion is timely based on Respondents' motion for reconsideration of the order lifting stay (Dkt. #1745).
2. On July 25, 2013, this Court entered *Order Pursuant to Section 105(a) of the Bankruptcy Code Extending the Chapter 9 Stay to Certain (A) State Entities, (B) Non Officer Employees and (C) Agents and Representatives of the Debtor* (the "Extended Stay Order") (Dkt. #166).
3. Petitioners, Plaintiffs in the *Phillips* Case, requested relief from the Extended Stay Order (Dkt. #1004).
4. On November 6, 2013, this Court issued an Opinion and Order (the "November 6 Order") (Dkt. #1536-1) ordering, in part, that "it is not necessary for the Court to grant relief from the stay to allow the Phillips case to proceed because that case is not subject to the Court's July 25, 2013 order. This order is conditioned on the Phillips plaintiffs' amendment of their complaint to eliminate their request for the removal of the Detroit emergency manager and for any other relief that diminishes the Detroit emergency manager's authority under P.A.

436." Respondents filed a motion for reconsideration of the November 6 Order (Dkt. #1745) which this Court denied (Dkt. #2256).

5. Based on these Orders, Plaintiffs in the *Phillips* Case have filed a motion to reopen the District Court case and to dismiss Plaintiffs Phillips, Valenti, & AFSCME Council 25 and counts I and IX from the Complaint and to amend the relief requested. (*Phillips v. Snyder*, Eastern District of Michigan Case No. 2:13-cv-11370, R. 32, Pg ID #372.)

6. For the reasons set forth in the supporting brief attached, each of the factors for stay is met.

7. Pursuant to L.B.R. 9014-1(g), Respondents sought but did not obtain concurrence in this motion.

Accordingly, Respondents respectfully request that this Honorable Court stay the effect of its November 6 Order (Dkt. #1536-1) pending appeal of that Order and this Court's Order denying Respondents' motion for reconsideration (Dkt. #1745).

Respectfully submitted,

/s/ Matthew Schneider
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